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REPORT
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VETERANS' HEALTH CARE AND FACILITIES IMPROVEMENT ACT OF 1984

MAY 15, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 5618]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs to whom was referred the bill (H.R. 5618) to amend title 38, United States Code, to revise and improve Veterans' Administration health programs, and for other purposes, having considered the same, report favorably thereon, by unanimous voice vote, without amendment, and recommend that the bill do pass.

INTRODUCTION

The Subcommittee on Hospitals and Health Care held hearings on February 23, 1984, March 7, 1984, and March 29, 1984, on legislation affecting various aspects of the Veterans' Administration's health care program.

The first of these hearings was held on February 23, 1984, on the Veterans' Administration's Department of Medicine and Surgery construction program request for fiscal year 1985 and the Veterans' Administration's plans for meeting the health care needs of veterans in the Commonwealth of Puerto Rico and the Virgin Islands. Testimony was received from the Resident Commissioner of Puerto Rico, the Honorable Baltasar Corrada, the Honorable Ron De Lugo, Delegate from the Virgin Islands, veterans' service organizations, and the Veterans' Administration.

The second hearing was held on March 7, 1984, on H.R. 3876, H.R. 4625, H.R. 4694, and H.R. 4792. Testimony was heard from the National Association of Veterans' Administration Physicians, veterans' service organizations, and the Veterans' Administration.

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On March 29, 1984, the subcommittee received testimony on H.R. 4833 from veterans' service organizations and the Veterans' Administration.

On May 2, 1984, the subcommittee unanimously recommended that H.R. 3876, H.R. 4625, H.R. 4792, H.R. 4833, H.R. 5225, H.R. 5412, and H.R. 5551 be reported to the full committee. Subsequently, H.R. 5618 was introduced in lieu of the above bills. On May 10, 1984, the full committee unanimously ordered H.R. 5618 to be reported to the House.

Summary of the Reported Bill

Section 1 is the short title of the legislation.

Section 2 would authorize the Administrator of Veterans' Affairs to prescribe regulations for security and law enforcement on property under the jurisdiction of the Veterans' Administration and to appoint persons as VA police officers.

Section 3 would authorize the Administrator to furnish treatment services to any veteran who is determined by the Administrator to be suffering from post-traumatic stress disorder attributable to service in the Armed Forces.

Section 4 would modify the reporting date for the opinion of the Comptroller General as to whether the Director of the Office of Management and Budget has complied with the requirement to provide the Veterans' Administration with the funded personnel ceiling.

Section 5 would require an annual report on the adequacy of per diem rates for the State Home program.

Section 6 would extend by 1 year the authority of the Administrator of Veterans' Affairs to waive certain restrictions on the provision of health care to veterans in the Commonwealth of Puerto Rico and the Virgin Islands.

Section 7 would extend the authorization for appropriations for the Geriatric Research, Education, and Clinical Centers program.

Section 8 would authorize contributions made by the Veterans' Administration to States for the construction of State Veterans' home facilities to be used for acquisition of facilities.

Section 9 would authorize the Veterans' Administration to furnish each veteran with a compensable service-connected disability for such drugs and medicines as may be prescribed by any licensed physician for treatment of the service-connected disability.

Background

Security and Law Enforcement on Veterans' Administration Property

For the third time in 4 years, the Subcommittee on Hospitals and Health Care held hearings on security problems at VA medical centers. Hearings were held on July 15, 1981, September 25, 1982, and March 7, 1984. During the September 15, 1982, hearing, a witness from the Office of Personnel Management stated:

> I think it should be clear to the members of the subcommittee that the ultimate effectiveness of Veterans' Administration security programs is not dependent solely on the

classification level of a few hundred jobs, or special pay rates, or improved personnel background checks. I think the problems of organization, of training, and utilization of the VA police that have been identified in previous subcommittee hearings and in the reports of the General Accounting Office will require a more comprehensive approach.

This legislation is intended to be a foundation for such a comprehensive approach.

In 1981, a study group under the auspices of the Office of Personnel Management reviewed the problems associated with recruiting and retaining Federal protective and security officers. The study group reached two tentative conclusions:

(1) Police compensation under the General Schedule is not viewed as adequate to retain personnel; and

(2) Compensation higher than that provided at grade GS–5 has proven, at least on a limited scale, to retain journeyman officers.

During the late 1970's, it was reported that the VA lost 71 percent of its police officers over a period of slightly more than 2 years through attrition. The cost impact of turnover such as this was estimated to exceed $1 million in fiscal year 1980. This same group found that in 1980, the typical new General Schedule officer of the VA security forces was paid $3,700 less than the typical new municipal officer. In response to committee inquiries, the Veterans' Administration reported that the starting annual salaries for certain other Federal police officers is as follows:

Library of Congress	$17,138
U.S. Capitol Police	17,404
Park Police	19,536
Supreme Court	17,404
Uniformed Division of Secret Service	19,182
U.S. Postal Service Security Police (Chicago area)	20,691
U.S. Postal Service Security Police (Los Angeles area)	21,387

This is in contrast to the starting salary of a VA police officer hired at the GS–4 level, $12,367. Some VA police officers are hired at the GS–5 level, which starts at $13,837 per year.

The Veterans' Administration provides recently hired police officers with 1 week of training at a centralized facility in Little Rock, Ark. The committee has been advised that persons employed as Federal Protective Service (FPS) officers by the General Services Administration receive 8 weeks of initial training at the Federal Law Enforcement Training Center in Georgia. These police officers are supposedly hired under the same personnel hiring standards used by the VA to hire its police officers. According to the 1981 study group, the duties of FPS police officers are almost identical to duties of VA police officers.

The U.S. Capitol Police is another police force with duties comparable to VA police officers which was examined by the Office of Personnel Management study team and the committee. New Capitol Police recruits undergo 8 weeks of training at the Federal Law Enforcement Training Center. Following this, they receive 8 additional weeks of in-house training. In response to a question submitted by the Subcommittee on Hospitals and Health Care, the Veterans' Administration conceded that they "knew of no agency other

than the VA where only a week of training is provided to new police officers."

As a result of the hearings held over the past 4 years, the committee has become aware of a great reluctance on the part of the Office of Personnel Management to address this problem on a systematic basis. At the same time, the Veterans' Administration has tolerated an unstable and inadequately trained security force with what can only be described as indifference. The VA adheres to a view that existing qualification standards (which require 2 years of police-type experience or equivalent education beyond high school) are sufficient to produce able and motivated police officers. Once hired, they require only a brief, 1-week orientation in order to function effectively as police officers, according to the VA view. As an aside, it should be pointed out that in the past this orientation was often delayed so that by the time an employee was scheduled to receive the training, he or she was no longer employed as a police officer. It now appears that the VA's views could be changing, although agency officials recently stated that a 1-week orientation "is a sound alternative" to an in-depth police recruit training course similar to that provided to GSA and U.S. Capitol Police at the Federal Law Enforcement Training Center.

Another issue which appears to be of continual concern is the VA's policy with regard to the issuance of lethal weapons. This is one instance where the committee must commend the VA on the prudent course it has followed. It is the committee's understanding that in the absence of unusual circumstances, VA police officers do not carry any weapons other than the approved chemical irritant projector commonly known as Mace. While instances have occurred where VA police officers are confronted by persons carrying lethal weapons, the VA does not believe that the number of such incidents warrants issuing lethal weapons on a regular basis. Instead, the Administrator designates those persons who are authorized to bear firearms and sets out circumstances when such weapons may be used. The number of persons authorized to bear lethal weapons is limited and the vast majority of VA police officers are able to perform their duties without lethal weapons.

In view of the restricted jurisdiction of VA police officers and the limited number of instances where the use of lethal weapons is arguably justifiable, the committee sees no need to intervene in a manner that would change VA policy. However, the committee is aware that a belief exists among some employees that the decision not to issue lethal weapons to police officers has had an adverse effect on their salary and grade classification. In past hearings, the committee was made aware that the Office of Personnel Management examined the seriousness of criminal occurrences in determining whether to exercise the special pay authority found in 5 U.S.C. § 5303. It is possible to infer from the fact that most VA police officers do not carry lethal weapons that these officers do not merit higher salaries or grade classifications. However, it is the committee's belief that insufficient evidence exists to warrant this inference. While the OPM study group did examine whether police officers are authorized to carry firearms, this factor alone would not be a basis for an increase or decrease in basic pay.

The committee has found from its extensive hearings on the matter that there is sufficient justification for the Government to propose a broad-based reform of the confusing and inconsistent manner in which Federal police officers are trained and compensated. Indeed, the 1981 OPM study group generated sufficient information to formulate such a proposal. While there is only circumstantial evidence to explain the absence of a Government-wide reform proposal, it appears that OPM's failure to sanction the findings of its own impartial experts on this topic, along with its record of interrupting studies on this matter, is indicative that logic and sound policy are not the driving forces behind the Government's position on this issue. Accordingly, the committee believes that a legislative reform aimed at the VA's 1,800 police officers is overdue and must be undertaken.

The VA's existing authority to enforce Federal laws is found in section 218 of title 38. This section also contains authority for police officers to make arrests and carry firearms. The committee bill would clarify the status of VA law enforcement officials by eliminating the references to special investigators and special policemen presently found in subsection (a)(3) of section 218. Instead, one cateogry of employee, VA police officers, would be authorized. It is the committee's understanding that this comports with existing VA appointment practices.

Subsection (a)(3) also refers to the authority of police officers to make arrests. As presently written, this subsection authorizes arrests for offenses committed in the "presence" of a "special investigator." However, if the offense is not committed in the "special investigator's" presence, an arrest may be made only if the offense constitutes a felony and if the arresting officer reasonably believes the person to be guilty of the violation. The latter condition, reasonable belief that a person to be arrested is guilty of an offense, is actually a prerequisite to all arrests under the Constitution of the United States, although it is not identically stated. The committee believes that VA police officers, like any other police officers, are bound by the standards set forth in the Constitution as to what constitutes probable cause to make an arrest. The committee, therefore, believes this language is unnecessary. Further, while the committee is not aware of any particular problems with respect to arrests for non-felony violations, it seems that an absence of authority to make arrests for non-felony violations which is implied in present law would be inconsistent with the law enforcement authority which other police officers possess. It is the committee's intention to eliminate inconsistencies between the power of VA police officers and that of similar Federal law enforcement authorities. However, adoption of this simplified language should not be considered an encouragement to the Veterans' Administration to adopt policies which would result in arrests being made for minor offenses that do not require arrest and detention in analogous State and local law enforcement schemes.

During the Subcommittee on Hospitals and Health Care's consideration of H.R. 4792, concern was expressed about the language authorizing police officers to carry firearms. Existing statutory authority does not contain any restrictions with regard to when an employee may be authorized to carry firearms, although the refer-

ence to "special investigators" implies some limitation. Reference has already been made to the committee's endorsement of the VA's existing policy with respect to authorizing police officers to carry lethal weapons. Inquiries made to the VA revealed that as few as 5 officers, senior in rank and specially trained in the handling of firearms, were actually authorized to carry firearms. These officers are authorized to carry lethal weapons when they are peforming investigative or undercover duties and there is a likelihood that they may be placed in situations where their personal safety is endangered by persons carrying lethal weapons. In addition, the VA anticipates that circumstances could arise where the support of local law enforcement authorities, who presently are used extensively by the VA when a dangerous person is to be detained or arrested, would not be available. Accordingly, the language recommended by the committee would authorize the Administrator to arm police officers in these circumstances.

This legislation would authorize the Administrator of Veterans' Affairs to increase the salaries of VA police officers under terms and conditions identical to those under which the Administrator may increase the salaries of other employees who are difficult to recruit. It is the committee's intention that this authority should be used at any VA facility where employee turnover in the police officer classification is unacceptably high; i.e., where annual turnover exceeds 20 to 30 percent. The committee language would also permit increased reimbursement for police officer uniform expenses. Both of these changes are designed to permit the VA to recruit and retain qualified persons as police officers. The committee is, nevertheless, greatly concerned that the Department of Medicine and Surgery's attitude toward training of police officers will blunt the effect of these changes. Adequate training is indispensable to a competent police officer, and should also provide motivation to accomplish duties in a professional manner. The committee believes that higher pay and allowances should be accompanied by better training and greater professionalism. The committee strongly encourages the Administrator of Veterans' Affairs to consider contracting with the Federal Law Enforcement Training Center to provide all VA police officers with adequate training.

POST-TRAUMATIC STRESS DISORDER

Section 3 of H.R. 5618 incorporates the provisions of H.R. 4833 as amended by the Subcommittee on Hospitals and Health Care. The concept of special units to provide treatment for veterans suffering from post-traumatic stress disorder (PTSD) is one which originated within the Veterans' Administration. During its March 29 hearing on H.R. 4833, the subcommittee was advised that special PTSD units existed at the following VA medical centers: Northampton, Mass., Montrose, N.Y., Coatesville, Pa., Augusta, Ga., Bay Pines, Fla., Cleveland, Ohio (Brecksville division), North Chicago, Ill., Tomah, Wis., Topeka, Kans., and Palo Alto, Calif. (Menlo Park division).

Several of these treatment units, often referred to as "combat units", were visited by committee members during field visits in 1983. In general, there seemed to be a very high level of dedication

and commitment on the part of the treatment staff to assisting veterans in overcoming the effects of PTSD and returning to a normal life.

PTSD has only recently been recognized as a discrete diagnosis by professionals engaged in the treatment of mental dysfunction. It is now recognized as a disability by the Veterans' Administration, and compensation may be provided to veterans whose ability to function is impaired by this condition. As a recently recognized disorder, it is most often associated with veterans of the Vietnam era, particularly those exposed to combat. However, the disorder can occur in anyone whose reaction to a traumatic event impairs their normal functioning. Some veterans of World War I, World War II, and Korea suffer from PTSD, although it was not diagnosed as such immediately after those wars and conflicts.

The existing special PTSD treatment units, including those visited by the committee members, were established autonomously by local facility directors without any specific direction by top management in the Veterans' Administration's Department of Medicine and Surgery. Such units were a response to the perceived needs of a large number of veterans who reacted to their experience in Vietnam and who subsequently had difficulty in integrating their experience and reaction with "normal" life outside of the Armed Forces. While the relative success or failure of these units may be subject to debate, veterans' acceptance of the treatment being offered in such units seems to be very positive. The atmosphere and treatment methods have, in many instances, overcome veterans' fears and hostility to other services provided by the Veterans' Administration.

The language of section 3 would formalize the existence of these special treatment units, while encouraging greater communication and coordination among such units. The committee wishes to encourage the autonomous efforts to establish these units. The committee also expects that one or more of these units will be funded in such a manner that clinicians can publish research and other educational material which will be useful to others involved in the treatment of PTSD.

By authorizing the establishment of these units and requiring that they be given preference for research funds, the committee hopes to improve the quality of care being offered to veterans who are suffering from PTSD. The language of section 3 would not repeal any of the other authorities which the Veterans' Administration presently has to provide treatment for PTSD at any VA medical facility. Further, section 3 would not require the expenditure of any funds for research into the causes, diagnosis and treatment of PTSD, although the committee strongly encourages the VA to actively sponsor far more research on this disorder. In contrast to the discretionary authorities, the Administrator is required by section 3 to compile and publish information that would be of use to health care professionals involved in the treatment of PTSD. The committee believes that a compilation could be issued at least annually at first, and more frequently as the investigators employed by the VA have their research proposals approved and funded. The committee recognizes that this will only occur, however, to the extent that overworked clinicians are relieved of duties

that would prevent them from undertaking such research and educational activities.

Section 3 of H.R. 5618 differs from the language of H.R. 4833 in several respects as the result of amendments adopted by the Subcommittee on Hospitals and Health Care. As amended, PTSD treatment units would be open to veterans of any conflict. Again, the committee emphasizes that this authority would be discretionary. If those health care professionals responsible for administering these units determine that a veteran should not be admitted to a unit for clinical reasons, such as the fact that the person's experience is too far removed from the experience of other veterans being treated and this difference could impair the treatment of any or all of the veterans, the administrative authority would be permitted to refer such an individual to an alternative type of treatment. As amended, section 3 also clarifies the committee's desire that treatment be available for PTSD which is attributable to service in the Armed Forces. A veteran would not be required to have service-connection for PTSD in order to enter a treatment unit. Finally, language intended to insure that all necessary services were provided to veterans suffering from PTSD was deleted as unnecessary in light of the authority presently contained in section 610(c) of title 38, United States Code.

CLARIFICATION OF REPORTING REQUIREMENT

This amendment was recommended by the Comptroller General as a result of the situation which arose when the President signed the Veterans' Administration fiscal year 1984 appropriation act on July 12, 1983. Present law requires the Director of the Office of Management and Budget to certify that the VA has been provided a funded personnel ceiling within a specified time frame. In the case of fiscal year 1984, the OMB certification was to be submitted by the tenth day of the fiscal year, October 10, 1983. The Comptroller General is required to review the OMB certification within 45 days of the date that the President signs the appropriation act. By the terms of existing law, the Comptroller General was required to submit his report before August 26, 1983, which was prior to the time that OMB was required to act. H.R. 5618 corrects this situation by allowing the Comptroller General 15 days to review OMB's compliance with the statutory mandate set out in section 5010(a)(4)(A) of title 38, United States Code.

ANNUAL REPORT ON ADEQUACY OF STATE HOME PER DIEM RATES

Last year, the Congress enacted legislation, Public Law 98–160, to increase the per diem rates payable to States providing domiciliary, nursing home, and hospital care to veterans. These amounts provide only a portion of the total cost of care in such homes—estimated to be less than one-third of the total cost of providing such care. Section 5 of H.R. 5618 would amend the reporting requirement on the adequacy of such rates so that the Administrator of Veterans' Affairs would be required to submit such a report every year, rather than every 3 years. This annual report would permit the Congress to be better informed on cost trends in State homes and, when appropriate, propose increases in the per diem rates.

The committee believes that this is a valuable program which reflects the best interests of State and Federal governments.

EXTENSION OF ADMINISTRATOR'S AUTHORITY TO WAIVE RESTRICTIONS ON THE PROVISION OF HEALTH CARE IN PUERTO RICO AND THE VIRGIN ISLANDS

The Veterans' Administration is presently authorized to provide health care in various types of Veterans' Administration facilities, as that term is defined in title 38 United States Code, section 601(4). Generally, the patient load and incidence of the provision of services in Government and private facilities in Puerto Rico and the Virgin Islands must be consistent with the patient load and incidence of the provision of services for veterans within the 48 contiguous States. The Administrator is authorized to waive this restriction in order to avoid hardship due to the inadequacy of VA facilities. Unless the Congress acts, this authority would expire on September 30, 1984. Recognizing that the Administrator has yet to submit a plan for constructing facilities adequate to meet the health care needs of veterans residing in Puerto Rico and the Virgin Islands, the committee believes that a 1-year extension of this authority is necessary. However, the committee strongly urges the Administrator to prepare a plan for constructing VA facilities adequate to meet the needs of these veterans.

EXTENSION OF GERIATRIC RESEARCH, EDUCATION AND CLINICAL ACTIVITIES

Public Law 96-330 authorized the establishment of 15 Geriatric Research, Education and Clinical Centers (GRECCS) at VA health care facilities. This program was originally established by the Veterans' Administration in 1973 to provide centers of excellence "whose goals would be to attract outstanding professionals to teach and to conduct research on aging in a clinical context, thereby having a positive effect on the provision of health care services to older veterans." The need to attract such outstanding professionals is as great in 1984 as it was in 1973. The committee believes that the VA's GRECC program should be continued. Accordingly, section 7 of the bill would authorize the appropriation of sums necessary to support this program in fiscal year 1985 and subsequent fiscal years.

ACQUISITION OF PROPERTIES FOR USE AS STATE VETERANS' HOMES

Under existing law (38 U.S.C., sections 5031-5037), States may apply to the Veterans' Administration for assistance for construction of new buildings or expansion, remodeling, or alteration of existing buildings for use as State veterans' homes. Such homes may provide domiciliary, nursing home, or hospital care. Grants are made by the VA for up to 65 percent of the cost of such construction, subject to the availability of appropriations for such grants. It has been brought to the committee's attention that at the same time that there is a growing need for facilities to accommodate veterans who are eligible for admission to State veterans' homes, some private sector facilities are standing vacant because of shifts in

need for health care. The VA has advised the committee that it would not consider an application for grant funds from a State which proposed to use the funds to acquire an existing building. Accordingly, the committee proposes to add language authorizing the acquisition of buildings with such grants. This would be consistent with the VA's own authority to acquire buildings for use as medical facilities. The Subcommittee on Hospitals and Health Care, which reported H.R. 5412, the measure that is the basis of section 8 of H.R. 5618, recommended a limitation on such projects so that the combined cost of acquisition and renovation would not exceed the cost of an equivalent new facility. H.R. 5618 contains such a limitation.

PROVISION OF DRUGS AND MEDICINES TO CERTAIN VETERANS

Section 9 of the reported bill would authorize the Administrator of Veterans' Affairs to provide veterans with drugs and medicines prescribed by private physicians for treatment of veterans' service-connected disabilities. It was brought to the committee's attention that during the past year a revision was made to a VA policy which had permitted veterans to visit their private physician and then have any prescriptions associated with the treatment of their service-connected disability filled by the Veterans' Administration. As a result of a review of this policy by the agency's General Counsel, the VA stopped filling prescriptions written by private physicians.

Following the introduction of H.R. 3876, which is the basis for section 9, the committee asked the Congressional Budget Office, as well as the VA, to estimate the fiscal impact if the authority to fill prescriptions written by non-VA physicians was restored to its previous status. CBO reported:

> Because a number of veterans would be expected to have switched to VA physicians as a result of the General Counsel's decision, it is unlikely that overruling that decision legislatively would have a cost. Some small savings may actually result from H.R. 3876 if veterans now switch back to their private physicians, but data is not available upon which to base such an estimate.

The cost estimate prepared by the VA did not look at the potential savings described by CBO. Instead, it merely projected an increase in the number of prescriptions filled by the VA. On balance, the committee believes that the CBO view has more merit. Further, enactment of this legislation would provide some VA services to a larger number of veterans who have service-connected disabilities.

SECTION-BY-SECTION ANALYSIS OF THE REPORTED BILL

Section 1 provides that this bill may be cited as the "Veterans' Health Care and Facilities Improvement Act of 1984" and provide that an amendment or repeal of law would be considered to be an amendment or repeal of a section or provision of title 38, United States Code.

Section 2(a)(1) of the bill would amend section 218 of title 38, United States Code, to clarify the statutory authority, duties and responsibilities of the Veterans' Administration police officers, to authorize the Administrator to pay increased rates of basic pay in order to recruit and retain such police officers, and to authorize the Administrator to provide increased uniform allowances to such police officers.

Subsection (a)(1) of the proposed section 218 would restate existing law which sets forth the Administrator's authority to prescribe regulations to provide for the maintenance of law and order on VA property and to prescribe penalties for violation of such regulations. Subsection (a)(2) would increase the maximum penalty the Administrator could prescribe for such violations. Currently the maximum penalty is a $50 fine and/or 30 days imprisonment. United States magistrates have become reluctant to prosecute violators of these regulations because of the minimal penalties which may be imposed. In order to increase the likelihood that violators of these regulations will be prosecuted, this subsection provides for a maximum penalty of a $500 fine and/or 6 months imprisonment. The proposed new limit is the maximum allowed by law for petty offenses (18 U.S.C. § 1(3)) and is in line with those in other agencies' property protection regulations and U.S. District Court rules.

Subsection (b)(1) would restate the Administrator's authority to appoint qualified persons as VA police officers. It would also clarify the authority of such officers to enforce Federal laws and the regulations issued by the Administrator and to make arrests on VA property for violations of Federal laws and those regulations. This restatement is also intended to resolve the confusion over the authority of VA police officers to enforce Federal law and make arrests on VA property.

Subsection (b)(2) would clarify and restrict the Administrator's authority to authorize VA police officers to carry firearms. It would make it clear that the Administrator may authorize any police officer, not just those who are designated as special investigators, to carry firearms. It would restrict his authority to authorize VA police officers to carry firearms to those situations where a substantial safety risk may arise in the performance of investigative duties and to situations of national emergency where the assistance of local law enforcement agencies may be unavailable and carrying of firearms may be necessary for the protection of VA personnel and property.

Proposed subsection (c) of section 218 would restate the Administrator's authority to use Federal, State or local enforcement agencies when it is economical and in the public interest to do so.

Subsection 218(d)(1), as proposed in the bill, would authorize the Administrator to increase rates of basic pay authorized for VA police officers on a nationwide, local or other geographic basis for one or more of the grades under the General Schedule. This authority would be subject to the restrictions of paragraphs 2, 3, and 4 of 38 U.S.C. § 4107(g). Paragraph 4107(g)(2) provides that such increases may be made only in order to provide pay competitive with the same category of personnel at non-Federal facilities in the same labor market, to achieve adequate staffing at particular facilities or to recruit personnel with specialized skills. Paragraph

4107(g)(3) restricts such increases to the amount by which the maximum for a grade exceeds the minimum for such grade. Further, paragraph 4107(g)(4) requires that the Administrator notify the President of the Administrator's intention to provide an increase under subsection 4107(g) not less than 90 days prior to the effective date of the proposed increase. If the President disapproves the increase and provides Congress with a written statement of the reasons for such disapproval, the increase will not take effect. The President has delegated this authority under paragraph 4107(g)(4) to review and disapprove such increases to the Office of Personnel Management.

Under subsection 218(d)(2), as proposed in the bill, the Administrator would be required to appoint a GS–15, Chief Inspector to supervise Veterans' Administration's police officers.

Subsection (e)(1) and (2) of the proposed section 218 would require the Administrator to select and regulate uniforms for VA police officers and furnish VA police officers with necessary weapons and belts. The effect of these provisions is merely to codify what is currently provided for in VA manuals.

Under the proposed subsections 218(e)(3)(A) and (B) the Administrator could authorize a one-time uniform purchase allowance of up to $400 and an annual uniform purchase allowance of $175 thereafter. This would help to rectify the financial hardship currently faced by VA police officers because uniform costs far exceed the current allowance of $125 annually.

Proposed subsection 218(f) would require that, except under emergency circumstances, the Administrator provide Congress with 90 days notice prior to modifying or changing any of the law enforcement rules or regulations under proposed subsection 218(a) or any of the standards issued under subsections 218(b) and (d) of the proposed section 218.

Subsection 2(b) of the bill would amend 38 U.S.C. § 4107(g) to make the restrictions contained in paragraphs 2, 3 and 4 of that subsection applicable to Veterans' Administration police officers.

Section 2(c)(1) of the bill would require that the Administrator submit a report on the implementation of the proposed section 218 within 90 days of the bill's enactment. The report is to include the regulations prescribed under proposed subsection 218(a), the standards issued under proposed subsections 218(b) and (d), the list of facilities where VA proposes to appoint VA police officers and the number and salaries of the police officers proposed to be appointed.

Subsection (2)(c)(2) of the bill would prohibit the VA from appointing police officers or paying salaries established under proposed subsection 218(d) until 90 days after the date on which the Administrator submits the report on implementation to Congress.

Section 3 would amend subchapter II of chapter 17 of title 38 by adding a new section 620B, entitled "Treatment for post-traumatic stress disorder," and amending the table of sections for chapter 17 to add this new section. Section 620B would authorize the Administrator to provide treatment services for post-traumatic stress disorder (PTSD) in units established for treatment of that disorder to any veteran eligible for VA care or services under either sections 610 or 612 of title 38 and who VA determines is suffering from PTSD attributable to service in the Armed Forces. The services

that may be furnished to these veterans include hospital care, medical services, outpatient services, counseling to family members and other persons in primary social relationships with a veteran, rehabilitative services, vocational counseling, home health services, and other services the Administrator finds necessary for treatment of a veteran. The Administrator may coordinate the provision of the services authorized by this section with the provision of readjustment counseling and related mental health services authorized by section 612A.

Treatment units established under this new section would be required to sponsor efforts to further the education of health-care professionals (including those not employed by the Government) on the causes, diagnosis, and treatment of PTSD. The Administrator would be required to identify the resources allocated to PTSD treatment units in the President's budget for each fiscal year during which the units are proposed to be in operation. The Administrator would be required to give priority in allocating funds for research on PTSD to medical facilities with PTSD treatment units in order that the research may be carried out in those units when feasible and appropriate. The Administrator would further be required to compile and publish on a regular basis the results of research conducted on the causes, diagnosis, and treatment of PTSD and would also be required to promote the exchange of information on PTSD among health-care professionals. A VA medical facility that has a PTSD treatment unit as of October 1, 1984, would be considered to have a treatment unit for the purposes of this new section unless the Administrator determines that the provision of treatment for PTSD authorized under this section is unnecessary at that facility or that the demand for PTSD services could be more efficiently met at another facility.

The Administrator's authority to furnish services under section 620B would expire on September 30, 1988. This section would take effect on October 1, 1984.

Section 4 would amend section 5010(a)(4)(C) to modify the due date of a recurring Comptroller General's report to the Committees on Veterans' Affairs of the House of Representatives and the Senate regarding funded personnel ceilings for VA's Department of Medicine and Surgery. Currently, section 5010(a)(4)(B) requires that the Director of OMB certify to the Comptroller General and the Veterans' Affairs Committees of Congress, that the Director has provided the VA with the funded personnel ceiling, and funds necessary to achieve that ceiling, that were provided for in any appropriation act. Section 5010(a)(4)(C) requires that the Comptroller General report to the same congressional committees regarding his opinion as to whether the Director of OMB has, in fact, provided VA with such funded personnel ceilings and the funds to meet the ceiling. Section 4 of this bill is simply a technical amendment changing the date by which the Comptroller General must report to the Congressional Committees to 15 days after the required OMB certification.

Section 5 of the draft bill would amend section 641(c) to require the VA to submit to the Committees on Veterans' Affairs of the House of Representatives and the Senate the currently mandated report on the adequacy of the State home per diem rates prescribed

by section 641(a) on an annual rather than a triennial basis. The first annual report due under this section would be on June 30, 1985, rather than on June 30, 1986.

Section 6 would amend section 601(4)(C)(v) to extend for an additional year—from October 1, 1984, through September 30, 1985—the VA's authority to waive restrictions on the provision of hospital care, and outpatient care that will obviate the need for hospital admission, to certain veterans in Puerto Rico and the Virgin Islands.

Section 7 would amend section 4101(f)(3) to make permanent and authorize the appropriation of such sums as may be necessary to fund the Geriatric Research, Education, and Clinical Center (GRECC) program. Currently, the VA's authority to operate this program expires on September 30, 1984, at a maximum authorization level of $25 million for this fiscal year. This section would take effect on October 1, 1984.

Section 8 would amend provisions of subchapter III of chapter 81 to authorize the VA to make State home grants to be used by States to acquire existing buildings for furnishing nursing home and domiciliary care to veterans. Currently, State home grants may only be made to help States construct new domiciliary or nursing home buildings; expand, remodel, or alter existing buildings for the provision of domiciliary, nursing home, or hospital care; and provide initial equipment for any of these buildings. Grants for the acquisition of existing buildings would be limited to 65 percent of the estimated cost of facility acquisition and construction, the same limit that applies to construction grants made under this subchapter. Further, this section would specify that State home grants could not be used to acquire a building unless the State provides reasonable assurance that the estimated total cost of acquisition of the facility and of any expansion, remodeling, and alteration of the acquired facility, including initial equipment costs, will not be greater than the estimated cost of construction of an equivalent new facility which also includes equipment costs. This section would take effect on October 1, 1984.

Section 9 would amend section 612(h) to authorize the VA to provide privately-prescribed drugs and medicines to veterans if needed for treatment of a compensable service-connected disability. Currently, section 612(h) authorizes the VA to provide drugs and medicines prescribed by non-VA physicians to veterans who are receiving increased compensation or pension because they are permanently housebound or in need of regular aid and attendance. This section would take effect on October 1, 1984.

Oversight Findings

Under the rules of the Committee on Veterans' Affairs, the Subcommittee on Hospitals and Health Care is vested with legislative and oversight jurisdiction over the provision of health care to eligible veterans and programs affecting the provision of such health care. As a result of hearings held on February 23, 1984, March 7, 1984, and March 29, 1984, the subcommittee concluded that there is justification for the enactment of the reported bill, and on May 2, 1984, recommended such legislation to the full committee.

No oversight findings have been submitted to the committee by the Committee on Government Operations.

BUDGET STATEMENT

The following cost estimate has been received from the Congressional Budget Office on the reported bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 14, 1984.

HON. G. V. MONTGOMERY,
Committee on Veterans' Affairs,
U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 5618, the Veterans Health-Care and Facilities Improvements Act f 1984, as ordered reported by the House Committee on Veterans' Affairs on May 10, 1984.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ERIC A. HANUSHEK
(FOR RUDOLPH G. PENNER).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5618.
2. Bill title: Veterans Health-Care and Facilities Improvements Act of 1984.
3. Bill status: As ordered reported by the House Committee on Veterans' Affairs, May 10, 1984.
4. Bill purpose: To revise and improve Veterans' Administration health programs and for other purposes.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization level	39.2	21.4	23.2	25.3	5.5
Estimated outlays	32.5	25.1	23.0	25.0	8.4

The cost of this bill would fall in budget function 700.

Basis for estimate: The followng section-by-section cost analysis only addresses those sections of the bill that could be expected to have a significant budgetary impact.

Section 2: This section would authorize increases in the basic pay for security service officers in VA health-care facilities when such increases are needed to obtain or retain the services of such officers. The section would also increase the uniform clothing allowance payable to security service officers and would provide for a larger one-time allowance for newly employed officers.

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization level	0.8	0.6	0.6	0.6	0.6
Estimated outlays	.8	.6	.6	.6	.6

According to the VA Security Service, approximately 1,950 security officers would be affected by this provision. The agency has estimated that the authority to increase basic pay would be utilized in 23 medical centers at a cost of about $400 thousand a year. Since the increased pay provisions could not be implemented for six months after enactment, it was assumed that they would not take effect until January 1, 1985. Thus, the fiscal year 1985 cost would only be about $300 thousand.

The one-time $400 uniform allowance authorized by section 2 would not be specifically limited to newly hired officers, but no officer could receive the higher allowance more than once.

Since section 2 also authorizes the Administrator to select a uniform design for VA security officers, it was assumed that new uniforms would be prescribed. The cost estimated for 1985, therefore, assumes that all current officers would receive the $400 uniform allowance in that year to purchase the new uniforms. In the outyears the higher allowance would be paid to an estimated 500 officers a year, based on information from the VA that there is a 26 percent annual turnover rate for security officers.

Section 3: This section would clarify the authority of the VA to provide medical and health-related services to any veteran who is suffering from post-traumatic stress disorder (PTSD) that is attributable to service in the Armed Forces. This authority would extend only through the end of fiscal year 1988.

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization level	13.0	16.5	18.1	20.0	0
Estimated outlays	11.1	16.0	17.9	19.7	2.9

This estimate is based on information from the VA that under this authority they would expand the current number of PTSD centers from 10 to 15 at a cost of around $15 million. This expansion was not assumed to be completed until 1986. The cost was increased in the outyears for anticipated inflation. Outlays were estimated according to historical spending patterns for similar activities.

Section 6: Ths section would extend for one year the authority of the VA to provide contract care in Puerto Rico and the Virgin Islands.

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization level	21.3	0	0	0	0
Estimated outlays	17.1	4.2	0	0	0

The estimate shown above represents those amounts requested by the VA for fiscal year 1985 for the provision of contract medical care in Puerto Rico and the Virgin Islands.

Section 7: This section would permanently authorize appropriations for the research and education activities of the VA's Geriatric Research, Education, and Clinical Centers (GRECCs) in whatever sums may be necessary.

[By fiscal years, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization level	4.1	4.3	4.5	4.7	4.9
Estimated outlays	3.5	4.3	4.5	4.7	4.9

In the President's 1985 budget request, the VA included $4.1 million for the research and education activities of the GRECCs. To estimate the outyear authorization levels, this amount was increased for anticipated inflation. Outlays were estimated using historical spending patterns.

Section 8: This section would expand the current authority of the VA regarding grants to states for the construction or renovation of state veterans' homes to include the use of such grants for the purchase of existing facilities.

While this provision could increase the number of requests from states for these grants, the increase would not be expected to be large since only two states have expressed an interest in this approach in the past. Furthermore, any increase in the number of grants for state development of veterans' nursing homes—under which the federal government provides 65 percent or less of total financing—would offset the need for VA construction of nursing home beds at greater costs. Thus, it is expected that enactment of this provision would reduce the total long-range federal cost of providing extended health—care services to veterans, but the budgetary effect in any given year would be small and cannot be precisely determined.

6. Estimated cost to state and local governments. The budgets of state and local governments would be affected by the provisions of section 8 of this bill, but only to the extent that states choose to participate in the program under the expanded authority. The participation of a state in this program is wholly voluntary. Few states are expected to use the new authority since only two have expressed interest in the past in purchasing facilities rather than constructing them.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: K. W. Shepherd

10. Estimate approved by: C. G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

Cost

The committee agrees with the cost estimate submitted by the Congressional Budget Office.

Inflationary Impact Statement

The enactment of the reported bill would have no inflationary impact.

AGENCY REPORTS

The committee received the following views of the Veterans' Administration on legislation similar to the reported bill:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., February 22, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to respond to your request for the views of the Veterans' Administration on H.R. 3876, 98th Congress, a bill "To amend title 38, United States Code, to authorize the Veterans' Administration to furnish each veteran with a compensable service-connected disability, such drugs and medicines as may be prescribed by any licensed physician for treatment of the service-connected disability." VA opposes enactment of H.R. 3876.

Section 612(h) of title 38, United States Code, currently authorizes the VA to provide drugs and medicines prescribed by private non-VA physicians to veterans who are receiving increased compensation or pension because they are permanently housebound or in need of regular aid and attendance. Except for authorized fee basis (contract) arrangements under 38 U.S.C. § 601(4)(C), section 612(h) is the only authority for the VA to fill prescriptions written by non-VA physicians. The proposed bill would expand section 612(h) to authorize VA to provide such privately prescribed drugs and medicines to veterans if they are needed for treatment of service-connected disabilities.

Congress provided, in 38 U.S.C. § 4101, that "[t]he primary function of the Department of Medicine and Surgery shall be to provide a complete medical and hospital service. . . ." That mandate has generally been viewed as contemplating that VA will provide veterans with all needed medical services, either in VA operated facilities or, where necessary, in facilities the VA contracts for. Section 612(h), as currently written, provides an exception to this VA role by authorizing our medical centers to provide pharmacy services to a veteran even though the individual is not under VA's care.

We believe the exception in section 612(h) was created by Congress to respond to the unique needs of those veterans who are housebound or in need of aid and attendance. These veterans are so sick or disabled that, in many cases, they are unable to come to a VA medical facility for care. The enactment of Public Law 88–664, which first authorized VA to supply needed drugs and medicines to certain veterans under section 612(h), predated the enactment of legislation permitting VA to provide those same veterans needed outpatient care on a fee basis. Prior to the existence of such fee-basis authority, many of these profoundly disabled veterans were unable to avail themselves of VA-sponsored care and had to rely on more conveniently located private physicians. Accordingly, the enactment of section 612(h), which authorized VA to furnish drugs and medicines prescribed for these veterans, met a medical need that VA could not otherwise fill at that time.

The need for section 612(h), as it now exists, was largely eliminated by enactment of Public Law 96-22, which authorized fee-basis care for all nonservice-connected veterans who are permanently housebound or in need of regular aid and attendance. In light of the longstanding nature of the benefit authorized by section 612(h), and the relatively small number of veterans affected, we do not seek the repeal of that provision. However, we would strongly counsel against expanding it further. It is important to note that the intended beneficiaries of H.R. 3876, all veterans with service-connected disabilities, are now eligible to receive care for those disabilities in either VA facilities or, if necessary, under VA-approved fee arrangements. These veterans are guaranteed by law the highest priority in receiving medical services from the VA.

Congress has long supported the VA health care system and underscored that the primary mission of that system is the provision of first class medical care to service-disabled veterans. See S. Rep. No. 1206, 94th Cong., 2d Sess. 71 (1976). As the VA provides a complete medical and hospital service for the care and treatment of veterans, particularly veterans with service-connected disabilities, we see no reason to erode that system by encouraging its use solely as a pharmacy. Moreover, if VA is required to fill privately written prescriptions for all veterans for service-connected disabilities, it would only be logical to also provide those veterans with other services ordered by private physicians, such as X-rays, laboratory studies and other diagnostic tests. Providing a role for VA to furnish veterans only ancillary medical services would be a fundamental and unwarranted departure from the longstanding, congressionally mandated principle that VA should provide eligible veterans with all necessary care and treatment.

It should also be noted that if Congress enacts the proposed bill and extends the "privately prescribed drugs" benefit to all veterans for their service-connected conditions, the potential for abuse of the program will be significantly increased. Such abuse could take the form of prescriptions being written for nonservice-connected conditions as well as prescriptions being fraudulently written to obtain drugs illegally. While some potential for abuse currently exists under section 612(h), the problem's scope is limited and manageable due to the small number of veterans involved in the program. In order to prevent the increased problems which could be encountered if H.R. 3876 were enacted, it would be necessary for VA to institute procedures to verify that prescriptions are legitimately written for service-connected conditions and are medically indicated. The need to establish such procedures would complicate administration of the program and will require greater resources for administration than are now required.

We estimate that enactment of this bill would result in costs of some $6 million for each of the next five fiscal years for a total five-year cost of some $30 million.

We were advised by the Office of Management and Budget in regard to a report to the Chairman of the Senate Committee on Veterans' Affairs, on S. 1833, 98th Congress, a bill identical with

H.R. 3876, that there was no objection to the presentation of that report from the standpoint of the Administration's program.

Sincerely,

EVERETT ALVAREZ, Jr.,
Deputy Administrator
(For Harry N. Walters, Administrator).

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., March 6, 1984.

Hon. BOB EDGAR,
Chairman, Subcommittee on Hospitals and Health Care, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We have reviewed your inquiry concerning the VA's position on using State home construction grants for acquiring existing buildings. As explained below, we lack statutory authority to provide grant monies under the State home program to cover the acquisition of existing buildings for use as State homes. Should the Committee consider legislation to enlarge the scope of the State home program in that manner, we would, of course, be pleased to study any such proposal and provide you our views.

The VA has long recognized the State home program as a vital resource for meeting the extended care needs of America's aging veteran population. Under this program, the VA provides States with State home construction grants *"to construct* State home facilities for furnishing domiciliary or nursing home care to veterans, and *to expand, remodel, or alter existing buildings* for furnishing domiciliary, nursing home, or hospital care to veterans in State homes." 38 U.S.C. § 5032 (italic added).

In our opinion, the current statutory framework authorizing State home construction grants cannot be stretched to permit using such grants for the acquisition of existing buildings to be used as State homes. First, the above-quoted statutory purpose of State home construction grants refers only to construction of new buildings and the expansion, remodeling, and alteration of existing buildings. If Congress had meant to permit VA construction grants for the acquisition of existing buildings, it surely would have so stated in the statutory purpose. The statute also mandates that States may submit and the VA may approve applications for State home construction grants only if the grant does not exceed 65 percent of the project's estimated cost of construction. 38 U.S.C. § 5035(a)(1), (b)(2). If Congress had intended to help States acquire existing buildings with State home construction grants, it would not have referred exclusively to an "estimated cost of construction." The cost of acquiring an existisng building is generally a set price and not an estimate. Finally, the legislative history supports the view that Congress did not intend to permit using State home construction grants for the acquisition of existing buildings. See S. Rep. No. 95-166, 95th Cong., 1st Sess., reprinted in 1977 U.S. Code Cong. and Ad. News 434, 438-39.

Our review of these provisions reaffirms previous interpretations regarding the limits of the State home grant authority. The prior interpretation that States may not obtain VA grant monies to acquire existing buildings is, in fact, embodied in a Federal regulation. Specifically, in a regulation governing the State home program, the term "cost of construction" specifically excludes "the purchase of buildings." 38 C.F.R. § 17.170(d) (1983). We enclose for your review a copy of that regulation, as well as a related opinion of VA's General Counsel regarding the use of construction grants for projects that are already constructed. Unpub. Op. G.C. March 31, 1978 (see enclosed).

Sincerely,

HARRY N. WALTERS, *Administrator.*

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., March 14, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We transmit herewith a draft bill "To amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide uniform allowances to Veterans' Administration law enforcement personnel." We request that it be introduced so that it may be considered for enactment.

The current authority for Federal agencies to provide uniform allowances is section 5901 of title 5, United States Code. Since 1967, section 5901 has limited the uniform allowance that VA and other agencies may pay their employees to $125 per year. The $125 limit is no longer sufficient to cover the cost of adequate uniforms for VA law enforcement personnel. VA studies show that the uniform items required to equip an employee to enter on VA law enforcement duties cost approximately $335.25, which is approximately $210 more than the current annual uniform allowance. As most VA law officers are employed at GS–4 or –5 salary levels, the $210 represents a substantial financial burden to prospective officers and has hindered VA's ability to recruit and retain qualified applicants for these positions.

If enacted, the proposed bill would remove that impediment by allowing the Administrator to pay a uniform allowance of as much as $400 per year to VA law enforcement personnel. Unless the proposed bill is enacted, we will continue to experience difficulties recruiting and retaining qualified officers because of the inadequacy of our uniform allowance.

If enacted, this proposal would cost approximately $600,000 annually and $3,000,000 for the five-year period following its effective date.

We have been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the presentation of this draft bill to the Congress.

Sincerely,

EVERETT ALVAREZ, Jr.,
Deputy Administrator
(For Harry N. Walters, Administrator).

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., April 4, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans Administration (VA) on H.R. 4833, 98th Congress, a bill described as authorizing VA to provide comprehensive treatment services to veterans who served in the Vietnam theater of operations and are suffering from post-traumatic stress disorder.

H.R. 4833 would establish a statutory framework authorizing VA, until September 30, 1988, to provide treatment for post-traumatic stress disorder (PTSD), but only within a specific program model mandated by this bill. Veterans who would receive their care under this new section could be treated only in special units established for treatment of the disorder. The bill would limit to 15 the number of VA facilities at which such units may be established. The bill would require that these units also sponsor efforts to educate health-care professionals, including those employed outside the Government, regarding PTSD and would require the Agency to give priority in allocating funds for research relating to PTSD to medical facilities at which these treatment units are located. The bill would also require VA to identify each year in material submitted with the President's budget the resources proposed to be allocated to these treatment units. The bill calls for VA to compile and publish regularly its research findings on PTSD and to promote the exchange of information about that disorder among health-care professionals. Finally, the bill expresses the intention that facilities having special PTSD treatment units in existence on October 1, 1984, be considered to be among the 15 facilities covered under this measure, unless the Administrator determines otherwise.

We consider the effective care and treatment of PTSD, as well as efforts to expand the understanding of health-care professionals regarding the diagnosis and treatment of that disorder, to be critically important aspects of the VA's responsibilities. We therefore support the objective embodied in H.R. 4833. In fact, we are encouraging the development of PTSD units at our VA medical centers. We, however, believe that there is no need to enact this legislation and that it limits the Administrator's and the Chief Medical Director's flexibility to provide care in settings they determine to be most appropriate. VA already has broad statutory authority to achieve the

purposes of this bill, and has made significant strides in these areas. The VA, therefore, does not favor enactement of this bill.

Post-traumatic stress syndrome or disorder is a reactive disorder that was not officially recognized by psychiatry as a specific mental disorder until 1980. Nevertheless, VA is active in providing treatment for PTSD to veterans—in Vet Centers, mental hygiene clinics, psychiatric inpatient treatment programs, and special inpatient units that have been developed at 12 VA medical centers. It is also noteworthy that on January 5, 1984, we published a request for contract proposals for a major study on PTSD mandated by Public Law 98–160.

VA has broad authority to provide treatment for veterans suffering from PTSD, and to sponsor research and education on this subject. This additional statutory authority is unnecessary and in several areas would be unduly restrictive.

Our experience with the treatment of PTSD does indicate a need for a specialized treatment modality. This bill anticipates the development of designated treatment centers that would apparently have the general cast of VA's geriatric research, education, and clinical care centers (GRECC's)—blending into one arena treatment, education, and research on this disorder. Our clinical care needs are such that we would want to apply the GRECC model judiciously. Indeed, our planning would not be to commit all our units to a research and education mission. In addition, as the bill is written, it may be interpreted to limit to 15 medical facilities all VA care and treatment of PTSD.

Lastly, the bill raises certain technical questions regarding eligibility for services. For example, while the caption to proposed section 620B and new subsection (a) of that provision suggests that the draftsmen do not intend to expand eligibility for services, proposed section 620B(b)(1) would appear to create broad eligibility for care of any disorder suffered by a Vietnam veteran who has been determined to suffer from PTSD. Furthermore, in providing in proposed new section 620B(b)(1) that comprehensive services may be furnished under this section without regard to any limitation under any other provision of this title, this bill would appear to create broader eligibility for certain services than is provided under law for most service-connected veterans. Thus, this measure could be construed to authorize VA to furnish fee-basis care and outpatient dental treatment to these veterans without regard to existing limitations in sections 601(4) and 612(b), respectively, of title 38, United States Code.

We project that enactment of H.R. 4833 would result in costs of some $3 million for fiscal year 1985, and total costs of approximately $24.4 million over the four years of the program.

Advice has been received from the Office of Management and Budget that there is no objection to the presentation of this report on H.R. 4833 from the standpoint of the Administration's program.

Sincerely,

EVERETT ALVAREZ, Jr.,
Deputy Administrator
(For Harry N. Walters, Administrator).

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., April 30, 1984.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: There is transmitted herewith a draft bill to amend title 38, United States Code, to extend the authority of the Veterans Administration (VA) to continue major programs whose continuity is vital in order that the VA will be able to meet its commitments to provide needed patient care. We request that the bill—the Veterans' Administration Health Programs Extension Act of 1984—be introduced so that it may be considered for enactment.

First, this proposal would extend for an additional 3 years, until September 30, 1984, the VA's authority to provide contract hospital care, and outpatient care that will obviate the need for hospital admission, to certain veterans in Puerto Rico and the Virgin Islands. The VA recently submitted a report to Congress regarding our planning for meeting the health care needs of these veterans, as required by Public Law 98-160. We envision the process of establishing an equitable mechanism for responding to the needs of veterans in Puerto Rico and the Virgin Islands to be a lengthy one. Therefore, we believe this 3-year extension is needed to prevent any unnecessary hardship on veterans in Puerto Rico and the Virgin Islands and to give the VA and the Congress an adequate opportunity to achieve the mutual goals with respect to these veterans.

Second, this proposal would extend for an additional 3 years, until September 30, 1988, the VA's authority to contract for care, treatment, and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans suffering from alcohol or drug dependence or abuse disabilities. Preliminary findings regarding the pilot program indicate that the contract authority has been and would continue to be a valuable, cost-effective modality to supplement VA treatment and rehabilitation of certain veterans.

The third major provision would authorize appropriations to fund the Geriatric Research, Education and Clinical Center (GRECC) program, which attracts outstanding professionals to teach and conduct basic and clinical research on aging, to provide education in geriatrics, and to experiment with alternative means for providing care for the aged. We believe that the GRECC's have been successful in helping the VA to use its resources in meeting the needs of an ever-increasing number of aging veterans and should be reauthorized through September 30, 1987.

Fourth, we request an extension of the authority of the VA to provide grants to States for the construction, remodeling, or renovation of State home facilities for furnishing hospital, domiciliary, and nursing home care for eligible veterans through fiscal year 1991. This program makes it possible to extend medical care to veterans beyond that which is provided in VA facilities by assisting States in the construction, remodeling, or renovation of State home

facilities. It is also cost-effective in that Federal participation is limited to no more than 65 percent of the cost of any one project.

Finally, this proposal would eliminate the limitation in section 5035(d)(2) of title 38, which provides that no one State may receive in any fiscal year more than one-third of the amount appropriated in that fiscal year for grants to assist States in the construction of State veterans' homes. This limitation was enacted to prevent perceived abuses in the grant program, based on a belief that a few States were receiving inequitably large grants. This limitation has not, however, prevented the approval of any State home grant request. Because Congress typically permits funds appropriated for State home construction grants to remain available for 3 fiscal years, a large grant can be funded from more than one fiscal year's appropriation. As a result, the only effect of this limitation is to delay approval of large State home grant applications until enough money to fund the grant can be accumulated from different fiscal years' appropriations.

We estimate the annual cost of the programs contained in this proposal to be $61.2 million, which is included in the President's fiscal year 1985 budget request. The 5-year cost for these programs is approximately $204.2 million. A more detailed analysis of this proposal is enclosed.

We were advised by the Office of Management and Budget that there is no objection to the submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

EVERETT ALVAREZ, Jr.,
Deputy Administrator
(For Harry N. Walters, Administrator).

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., October 31, 1983.

Hon. G. V. MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives.

DEAR MR. CHAIRMAN: For appropriations to the Veterans' Administration's (VA's) medical care and related accounts, 38 U.S.C. 5010(a)(4) requires the Comptroller General to report to the House and Senate Appropriations and Veterans Affairs Committees whether the Director of the Office of Management and Budget (OMB) has provided VA with the funded personnel ceilings and funds necessary to achieve such ceilings.

The Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45), appropriated the funds shown below to VA's medical care and related accounts to support the indicated personnel ceilings.

Account	Appropriations	Personnel ceiling [1]
Medical care	$8,070,726,000	190,544
Medical and prosthetic research	162,325,000	4,385

Account	Appropriations	Personnel ceiling [1]
Medical administration and miscellaneous operating expenses	66,552,000	856

[1] Full-time equivalent employees.

In accordance with section 5010(a)(4)(B), OMB has provided VA with the personnel ceilings shown above and has apportioned to VA all the funds appropriated by the act to support the personnel ceilings.

Enactment of Public Law 98-45 on July 12, 1983, demonstrates the need for a technical amendment to section 5010(a)(4)(C). As written, our report is required to be submitted 45 days after an appropriations law is enacted. In the case of Public Law 98-45, the 45-day period expired before OMB was required to certify that it had made the appropriated funds available to VA. Section 5010(a)(4)(C) is restated below with our proposed language to cover the situation when appropriations are passed more than 30 days prior to the fiscal year appearing in brackets.

"Not later than the forty-fifth day after the enactment of each such law, [or not later than the twenty-fifth day of the fiscal year in the event of enactment of such law more than 30 days prior to the fiscal year,] the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in providing to the Veterans' Administration such funded personnel ceiling."

If you have any questions or if we can be of further assistance, please contact Mr. Norman Rabkin, Group Director, at 389-5281.

Sincerely yours,

CHARLES A. BOWSHER,
Comptroller General, of the United States.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

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PART I. GENERAL PROVISIONS

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CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

SUBCHAPTER I—VETERANS' ADMINISTRATION

Sec.

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SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

* * * * * * *

[218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.]

218. Security and law enforcement on property under the jurisdiction of the Veterans' Administration; appointment of police officers.

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Subchapter II—Administrator of Veterans' Affairs

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[§ 218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administation reservations.

[(a) For the purpose of maintaining law and order and of protecting persons and property on land (including cemeteries) and in buildings under the jurisdiction of the Veterans' Administration (and not under the control of the Administrator of General Services), the Administrator or any officer or employee of the Veterans' Administration duly authorized by him may—

[(1) make all needful rules and regulations for the governing of the property under his charge and control, and annex to such rules and regulations such reasonable penalties within the limits prescribed in subsection (b) of this section as will insure their enforcement. Such rules and regulations shall be posted in a conspicuous place on such property;

[(2) designate officers and employees of the Veterans' Administration to act as special policemen on such property and, if the Administrator deems it economical and in the public interest, with the concurrence of the head of the agency concerned, utilize the facilities and services of existing Federal law-enforcement agencies, and, with the consent of any State or local agency, utilize the facilities and services of such State or local law-enforcement agencies; and

[(3) empower officers or employees of the Veterans' Administration who have been duly authorized to perform investigative functions to act as special investiagators and to carry firearms, whether on Federal property or in travel status. Such special investigators shall have, while on real property under the charge and control of the Veterans' Administration, the power to enforce rules and regulations issued under subsection (a)(1) of this section. Any such special investigator may make an arrest with or without a warrant for any offense committed upon such property in his presence or if he has reasonable ground to believe (A) the offense constitutes a felony under the laws of the United States, and (B) that the person to be arrested is guilty of that offense. (Added P.L. 93-43, § 4(a).).

[(b) Whoever shall violate any rule or regulation issued pursuant to subsection (a)(1) of this section shall be fined not more than $50 or imprisoned not more than thrity days, or both.]

§ 218. Security and law enforcement on property under the jurisdiction of the Veterans' Administration; appointment of police officers

(a)(1) The Administrator may prescribe regulations to provide for the maintenance of law and order and the protection of persons and property on land and in buildings under the jurisdiction of the Veterans' Administration and not under the control of the Administrator of General Services (hereinafter in this section referred to as "Veterans' Administration property"). The Administrator may also prescribe by regulation penalties within the limits established in paragraph (2) of this subsection for the violation of such regulations. Such regulations (including penalties prescribed under this paragraph) shall be posted in a conspicuous place on such property.

(2) Whoever violates any regulation issued under paragraph (1) of this subsection shall be fined or imprisoned within the limits prescribed by the Administrator. Such a fine may not exceed $500 and such a term of imprisonment may not exceed six months.

(b)(1) The Administrator may appoint qualified persons as Veterans' Administration police officers. Such police officers shall enforce Federal laws and the regulations issued under subsection (a) of this section on Veterans' Administration property. A Veterans' Administration police officer may make arrests on Veterans' Administration property for a violation of any law of the United States or of any regulation prescribed under subsection (a) of this section.

(2) The Administrator may authorize police officers to carry firearms if the Administrator determines—

(A) that a substantial safety risk may arise in the performance of investigative duties by police officers; or

(B) that because of national emergency or regional disaster, the assistance or support of local law enforcement agencies may be unavailable for the protection of persons and Veterans' Administration property and a threat of substantial harm to such persons or property exists.

(c) With the permission of the head of the agency concerned, the Administrator may use the facilities and services of Federal law enforcement agencies and of State or local law enforcement agencies when it is economical and in the public interest to do so.

(d)(1) Notwithstanding any other provision of law, but subject to paragraphs (2), (3), and (4) of section 4107(g) of this title, the Administrator may increase the rates of basic pay for Veterans' Administration police officers authorized under applicable statutes and regulations. Any increase in such rates of basic pay made under this subsection may be made on a nationwide, local, or other geographic basis and for one or more of the grades of the General Schedule under section 5332 of title 5.

(2) The Administrator shall appoint a chief inspector to supervise Veterans' Administration police officers. The chief inspector shall receive compensation at a rate determined by the Administrator, but not to exceed the highest rate of basic pay payable to a person in

grade GS–15 of the General Schedule established by section 5332 of title 5.

(e)(1) The Administrator shall select and regulate the pattern for a uniform for Veterans' Administration police officers.

(2) The Administrator shall furnish each police officer authorized to carry firearms or other weapons with the necessary weapons and belts.

(3)(A) The Administrator may reimburse police officers for purchases of uniform clothing. Except as provided in this paragraph, the total reimbursement paid to an officer may not exceed $175 in any calendar year.

(B) The Administrator may reimburse a police officer for purchases of uniform clothing in an amount up to $400 in lieu of the annual amount authorized in subparagraph (A) of this paragraph. A police officer may not submit a claim for reimbursement under this subparagraph more than once. A police officer who resigns as a police officer less than one year after submitting a claim for reimbursement under this subparagraph shall repay to the Veteran's Administration a pro rata share of the amount paid, based on the number of months the police officer was actually employed during the calendar year for which the reimbursement was made.

(f) Except in a case in which the Administrator determines that advance notice is not feasible because of emergent circumstances, any modification or change to the rules and regulations prescribed under subsection (a) of this section or the standards issued under subsection (b) or (d) of this section may not take effect until ninety days after the date on which the administrator submits a copy of the modification or change to the Committees on Veterans' Affairs of the Senate and House of Representatives.

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PART II. GENERAL BENEFITS

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

SUBCHAPTER I—GENERAL

Sec.
601. Definitions.
602. Presumption relating to psychosis.

SUBCHAPTER II—HOSPITAL, NURSING HOME OR DOMICILIARY CARE AND MEDICAL TREATMENT

610. Eligibility for hospital, nursing home and domiciliary care.
611. Care during examinations and in emergencies.
612. Eligibility for medical treatment.
612A. Eligibility for readjustment counseling and related mental heath services.
613. Medical care for survivors and dependents of certain veterans.
614. Fitting and training in use of prosthetic appliances; seeing-eye dogs.
615. Tobacco for hospitalized veterans.
616. Hospital care by other agencies of the United States.
617. Invalid lifts and other devices.
618. Therapeutic and rehabilitative activities.
619. Repair or replacement of certain prosthetic and other appliances.

620. Transfers for nursing home care; adult day health care.
620A. Treatment and rehabilitation for alcohol or drug dependence or abuse disabilities; pilot program.
620B. Treatment for post-traumatic stress disorder.

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Subchapter I—General

§ 601. Definitions

For the purposes of this chapter—
(1) * * *

* * * * * * *

(4) The term "Veterans' Administration facilities means—

(A) facilities over which the Administrator has direct jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts when facilities described in clause (A) or (B) of this paragraph are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the care or services required in order to provide (i) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from the active military, naval, or air service; (ii) medical services for the treatment of any disability of a veteran described in clause (1) (B) or (2) of the first sentence, or in the third sentence, of section 612(f) of this title or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph; (iii) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving medical services in a facility described in clause (A) or (B) of this paragraph until such time as the veteran can be safely transferred to any such facility; (iv) hospital care for women veterans; (v) hospital care, or medical services that will obviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical service to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall expire on September 30, [1984] *1985,* and until such date the Administrator may, if necessary to prevent hard-

ship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services; or (vi) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission.

In the case of any veteran for whom the Administrator contracts to provide treatment in a private facility pursuant to the provisions of this paragraph; the Administrator shall periodically review the necessity for continuing such contractural arrangement pursuant to such provision.

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Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

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§ 612. Eligibility for medical treatment

(a) * * *

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(h) The Administrator shall furnish to each veteran *for a disability which is service connected and compensable in degree and to each veteran* who is receiving additional compensation or allowance under chapter 11 of this title, or increased pension as a veteran of the Mexican border period, World War I, World War II, the Korean conflict, or the Vietnam era, by reason of being permanently housebound or in need of regular aid and attendance, such drugs and medicines as may be ordered on prescription of a duly licensed physician as specific therapy in the treatment of *the compensable service-connected disability of a veteran or, in the case of a veteran who is permanently housebound or in need of regular aid and attendance, for* any illness or injury suffered by such veteran. The Administrator shall continue to furnish such drugs and medicines so ordered to any such veteran in need of regular aid and attendance whose pension payments have been discontinued solely because such veteran's annual income is greater than the applicable maximum annual income limitation, but only so long as such veteran's annual income does not exceed such maximum annual income limitation by more than $1,000.

* * * * * * *

§ 620B. Treatment for post-traumatic stress disorder

(a) The Administrator may furnish treatment services under this section to any veteran who—

(1) is eligible for care or services under section 610 or 612 of this title; and

(2) is determined by the Administrator to be suffering from post-traumatic stress disorder attributable to service in the Armed Forces.

(b)(1) The services that may be furnished under this section include hospital care, medical services, outpatient services, counseling to family members and other persons in primary social relationships with a veteran, rehabilitative services, vocational counseling, home health services, and such other services as the Administrator finds necessary for the treatment of a veteran.

(2) The Administrator may coordinate the provision of services under this section with the provision of services authorized by section 612A of this title.

(c)(1) Services may be provided under this section only through treatment units established for the treatment of post-traumatic stress disorder by the Administrator in Veterans' Administration medical facilities over which the Administrator has direct jurisdiction.

(2) In addition to the provision of treatment services to veterans described in subsection (a) of this section, such treatment units shall sponsor efforts to further the education of health-care professionals (including health-care professionals employed outside the Govern-nent) regarding the causes, diagnosis, and treatment of post-traumatic stress disorder.

(3) The Administrator shall identify the resources allocated to such treatment units in material submitted with the President's budget for each fiscal year durig which the units are proposed to be in operation.

(4) When allocating funds for research relating to post-traumatic stress disorder, the Administrator shall give priority to medical facilities at which such treatment units are located in order that such research may, when feasible and otherwise appropriate, be carried out at such treatment units.

(d) The Administrator shall on a regular basis compile and publish the results of research that has been conducted regarding the causes, diagnosis, and treatment of post-traumatic stress disorder and shall promote the exchange of information concerning such disorder among health-care professionals.

(e) The Administrator may not furnish services under this section after September 30, 1988.

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Subchapter V—Payments to State Homes

§ 641. Criteria for payment

(a) * * *

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(c) The Administrator shall submit **[**every three years**]** to the Committees on Veterans' Affairs of the Senate and House of Representatives **[**a**]** *an annual* report on the adequacy of the rates provided in subsection (a) of this section in light of projections over each of the following five years of the demand on the Veterans' Administration for the provision of nursing home care to veterans eligible for such care under this section and sections 610 and 620 of

this title. The first such report shall be submitted not later than June 30, [1986.] *1985.*

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PART V—BOARDS AND DEPARTMENTS

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CHAPTER 73—DEPARTMENT OF MEDICINE AND SURGERY

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Subchapter I—Organization; General

§ 4101. Functions of Department

(a) * * *

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(f)(1)(A) * * *

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(3) [There are hereby authorized to be appropriated for the basic support of the research and education activities of the centers of geriatric research, education, and clinical activities established pursuant to paragraph (1) of this subsection $10,000,000 for fiscal year 1981 and $25,000,000 for each of the next three fiscal years.] *There are authorized to be appropriated such sums as may be necessary for the support of the research and education activities of the centers established pursuant to paragraph (1) of this subsection.* The Chief Medical Director shall allocate to such centers from other funds appropriated generally for the Veterans' Administration medical care account and medical and prosthetics research account, as appropriate, such amounts as the Chief Medical Director determines appropriate, and, with respect to fiscal year 1984, as the Chief Medical Director determines appropriate after taking into account the report submitted by the Committee under paragraph (2) of this subsection.

* * * * * * *

§ 4107. Grades and pay scales

(a) * * *

* * * * * * *

(g)(1) Notwithstanding any other provision of law but subject to paragraphs (2), (3), and (4) of this subsection, when the Administrator determines it to be necessary in order to obtain or retain the services—

(A) of individuals employed in positions listed in paragraphs (1) and (3) of section 4104 of this title; or

(B) of health-care personnel who—

(i) are employed in the Department of Medicine and Surgery (other than administrative, clerical, and physical plant maintenance and protective services employees);

(ii) are paid under the General Schedule pursuant to section 5332 of title 5;

(iii) are determined by the Administrator to be providing either direct patient-care services or services incident to direct patient-care services; and

(iv) would not otherwise be available to provide medical care and treatment for veterans.

the Administrator may increase the minimum, intermediate, or maximum rates of basic pay authorized under applicable statutes and regulations. Any increase in such rates of basic pay may be made on nationwide, local, or other geographic basis, for one or more of the grades listed in the schedules in subsection (b)(1) of this section, for one or more of the health personnel fields within such grades, or for one or more of the grades of the General Schedule under section 5332 of such title.

(2) Increases in rates of basic pay may be made under paragraph (1) of this subsection *or under section 218 of this title* only in order—

(A) to provide pay in an amount competitive with, but not exceeding, the amount of the same type of pay paid to the same category of [health-care] personnel at non-Federal [health-care] facilities in the same labor market;

(B) to achieve adequate staffing at particular facilities; or

(C) to recruit personnel with specialized skills, especially those with skills which are especially difficult or demanding.

(3) The amount of any increase under paragraph (1) of this subsection *or under section 218 of this title* in the maximum rate for any grade may not (except in the case of nurse anesthetists and licensed physical therapists) exceed the amount by which the maximum for such grade (under applicable provisions of law other than this subsection) exceeds the minimum for such grade (under applicable provisions of law other than this subsection), and the maximum rate as so increased may not exceed the rate paid for individuals serving as Assistant Chief Medical Director.

(4) In the exercise of the authority provided in paragraph (1) of this subsection with respect to heath-care personnel described in clause (B) of such paragraph to increase the rates of basic pay for any category of personnel not appointed under this subchapter, *and in the exericse of the authority provided in section 218(d) of this title to increase the rates of basic pay for Veterans' Administration police officers,* the Administrator shall, not less than ninety days prior to the effective date of a proposed increase, notify the President of the Administrator's intention to provide such an increase. If, prior to such effective date, the President disapproves such increase and provides the appropriate committees of the Congress with a written statement of the President's reasons for such disapproval, such proposed increase shall not take effect.

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PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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CHAPTER 81—ACQUISITION AND OPERATION OF HOSPITAL AND DOMICILIARY FACILITIES; PROCUREMENT AND SUPPLY

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Subchapter I—Acquisition and Operation of Medical Facilities

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§ 5010. Operation of medical facilities

(a)(1) * * *

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(4)(A) * * *

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[(C) Not later than the forty-fifth day after the enactment of each such law, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in providing to the Veterans' Administration such funded personnel ceiling.]

(C) After the expiration of the period for a certification by the Director of the Office of Management and Budget under subparagraph (B) of this paragraph, the Comptroller General shall submit to the appropriate committees of the Congress a report stating the Comptroller General's opinion as to whether the Director of the Office of Management and Budget has complied with the requirements of such subparagraph in providing to the Veterans' Administration such funded personnel ceiling. The report shall be submitted not later than 15 days after the end of the period specified in such subparagraph for the Director to submit the required certification.

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Subchapter III—State Home Facilities for Furnishing Domiciliary, Nursing Home, and Hospital Care

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§ 5032. Declaration of purpose

The purpose of this subchapter is to assist the several States to construct State home facilities *(or to acquire facilities to be used as State home facilities)* for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes.

* * * * * * *

§ 5034. General regulations

Within six months after the date of enactment of this section or any amendment to it with respect to such amendment, the Administrator shall prescribe the following by regulation:

(1) The number of beds required to provide adequate nursing home care to veterans residing in each State.

(2) General standards of construction, repair, and equipment for facilities constructed *or acquired* with assistance received under this subchapter.

(3) General standards for the furnishing of care in facilities which are constructed *or acquired* with assistance received under this subchapter, which standards shall be no less stringent than those standards prescribed by the Administrator pursuant to section 620(b) of this title. The Administrator may inspect any State facility constructed *or acquired* with assistance received under this subchapter at such times as the Administrator deems necessary to insure that such facility meets such standards.

§ 5035. Applications with respect to projects; payments

(a) After regulations have been prescribed by the Administrator under section 5034 of this title, any State desiring to receive assistance for a project for construction of State home facilities *(or acquisition of a facility to be used as a State home facility)* must submit to the Administrator an application. Such application shall set forth—

(1) the amount of the grant requested with respect to such project which may not exceed 65 percent of the estimated cost of construction *(or of the estimated cost of facility acquisition and construction)* of such project,

(2) a description of the site for such project,

(3) plans and specifications for such project in accordance with regulations prescribed by the Administrator pursuant to section 5034(2) of this title,

(4) reasonable assurance that upon completion of such project the facilities will be used principally to furnish to veterans the level of care for which such application is made and that not more than 25 percent of the bed occupancy at any one time will consist of patients who are not receiving such level of care as veterans,

(5) reasonable assurance that title to such site is or will be vested solely in the applicant, a State home, or another agency or instrumentality of the State,

(6) reasonable assurance that adequate financial support will be available for the construction of the project *(or for facility acquisition and construction of the project)* and for its maintenance and operation when complete,

(7) reasonable assurance that the State will make such reports in such form and containing such information as the Administrator may from time to time reasonably require, and give the Administrator, upon demand, access to the records upon which such information is based, [and]

(8) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with [sections 276a through 276a-5 of title 40] *the Act of March 3, 1931 (40 U.S.C. 276a—276a-5)* (known as the Davis-Bacon Act)[.]*; and*

(9) in the case of a project for acquisition of a facility, reasonable assurance that the estimated total cost of acquisition of the facility and of any expansion, remodeling and alteration of the acquired facility will not be greater than the estimated cost of construction of an equivalent new facility.

(b) The Administrator shall approve any such application if the Administrator finds that—

(1) there are sufficient funds available to make the grants requested with respect to such project,

(2) such grant does not exceed 65 percent of the estimated cost of construction *(or of the estimated cost of facility acquisition and construction)* of such project.

(3) the application contains such reasonable assurances under subsection (a) of this section as the Administrator may determine to be necessary, and

(4) the plans and specifications for such project are in accord with regulations prescribed pursuant to section 5034(2) of this title and that [the construction of] *the carrying out of* such project, together with other projects under construction and other facilities, will not result in more than the number of beds prescribed by the Administrator pursuant to section 5034(1) of this title for the State in which such project is located being available for furnishing nursing home care to veterans in such State.

* * * * * * *

(d)(1) Upon approving an application under this section, the Administrator shall certify to the Secretary of the Treasury the amount of the grant so approved, but in no event an amount greater than 65 percent of the estimated cost of construction *(or of the estimated cost of facility acquisition and construction)* of the project, and shall designate the appropriation from which it shall be paid. Such certification shall provide for payment to the applicant or, if designated by the applicant, the State home for which such project is being [constructed] *carried out* or any other agency or instrumentality of the applicant. Such amount shall be paid, in advance or by way of reimbursement, and in such installments consistent with the progress of [construction] *the project* as the Administrator may determine and certify for payment to the Secretary of the Treasury. Funds paid under this section for [the construction of] an approved project shall be used solely for carrying out such project as so approved.

* * * * * * *

§ 5036. Recapture provisions

If, within [twenty] *20* years after completion of any project [for construction] with respect to which a grant has been made under this subchapter (except that the Administrator, pursuant to regulations which the Administrator shall prescribe, may at the time of such grant provide for a shorter period than [twenty,] *20,* but not less than seven years, based on the magnitude of the project and the grant amount involved, in the case of the *acquisition,* expansion remodeling, or alteration of existing facilities), such facilities

cease to be operated by a State, a State home, or an agency or instrumentality of a State principally for furnishing domiciliary, nursing home, or hospital care to veterans, the United States shall be entitled to recover from the State which was the recipient of the grant under this subchapter, or from the then owner of such facilities, 65 percent of the then value of such [construction] *project* (but in no event an amount greater than the amount of assistance provided [for such construction] under this subchapter), as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such facilities are situated.

§ 5037. State control of operations

Except as otherwise specifically provided, nothing in this subchapter shall be construed as conferring on any Federal officer or employee the right to exercise any supervision or control over the administration, personnel, maintenance, or operation of any State home for which facilities are constructed *or acquired* with assistance received under this subchapter.

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98TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPT. 98-783
Part 1

VETERANS' ADMINISTRATION PHYSICIANS MILITARY RETIRED PAY WAIVER

MAY 15, 1984.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 4694]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4694) to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive mandatory reductions in military retirement pay of certain retired military officers recruited for employment by the Department of Medicine and Surgery, having considered the same, report favorably thereon by unanimous voice vote without amendment and recommend that the bill do pass.

INTRODUCTION

The Subcommittee on Hospitals and Health Care held a hearing on March 7, 1984, on H.R. 4694, as well as other legislation relating to the Veterans' Administration health care program. Testimony was heard from the National Association of VA Physicians, the Veterans' Administration, and veterans' service organizations.

On May 2, 1984, the subcommittee ordered H.R. 4694 reported to the full committee by unanimous voice vote. The bill was ordered reported by the full committee by unanimous voice vote on May 10, 1984.

SUMMARY OF THE REPORTED BILL

Prior to January 11, 1984, the Civil Service Reorganization Act of 1978 authorized the Office of Personnel Management to delegate to the Veterans' Administration the authority to grant exceptions to

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retired or retainer pay reductions when necessary to meet special or emergency employment needs which result from a severe shortage of well-qualified candidates in positions of medical officers. That authority expired on January 11, 1984. The Veterans' Administration has advised the committee that the waiver authority has been exercised by the Veterans' Administration in 26 instances.

H.R. 4694 would grant the Administrator permanent authority to waive mandatory reductions in military retirement pay if necessary to recruit a well-qualified doctor of medicine or osteopathy for a position in the Department of Medicine and Surgery. Officials of the Veterans' Administration testified that the effect of the mandatory reduction in military retired pay made employment outside the Federal government much more attractive to retired military physicians, and impaired the VA's ability to recruit necessary physicians in selected specialties or geographic locations. Dr. Donald L. Custis, the former Chief Medical Director of the VA, stated that H.R. 4694 "would go far to ensure our continuing ability to employ the especially highly qualified physicians, particularly in scarce and shortage category specialties, that the VA needs to meet our health care mission."

Oversight Findings

On March 7, 1984, oversight hearings were held by the Subcommittee on Hospitals and Health Care which is vested by the rules of the Committee on Veterans' Affairs with jurisdiction over the subject matter of H.R. 4694. The subcommittee concluded there is justification for the enactment of the reported bill and on May 2, 1984, recommended the legislation to the full committee.

No oversight findings have been submitted to the committee by the Committee on Government Operations.

Budget Statement

The following letter was received from the Congressional Budget Office concerning the cost of the reported bill:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 15, 1984.

Hon. G. V. (Sonny) Montgomery,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

Dear Mr. Chairman: The Congressional Budget Office has reviewed H.R. 4694, a bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive mandatory reductions in military retirement pay of certain retired military officers recruited for employment by the Department of Medicine and Surgery, as ordered reported by the House Committee on Veterans' Affairs, May 10, 1984.

Based on this review, it appears that no significant cost will be incurred by federal, state and local governments as a result of enactment of this legislation.

Sincerely,

ERIC HANUSHEK,
(For Rudolph G. Penner, Director.)

COST

The committee agrees with the cost estimate submitted by the Congressional Budget Office.

INFLATIONARY IMPACT STATEMENT

The reported bill would have no inflationary impact.

AGENCY REPORT

The committee received the following views of the Veterans' Administration concerning this measure.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS,
Washington, D.C., April 12, 1984.

Hon. G. V. (SONNY) MONTGOMERY,
Chairman, Committee on Veterans' Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to respond to your request for the views of the Veterans' Administration on H.R. 4694, 98th Congress, 2d Session, a bill "To amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to waive mandatory reductions in military retirement pay of certain retired military officers recruited for employment by the Department of Medicine and Surgery."

This bill would replace the recently expired title 5 authority to grant waivers to the mandatory reductions in retired or retainer pay of certain retired military officers recruited by the VA as doctors of medicine or osteopathy. As explained below, the VA would support enactment of this bill only if it is amended to restrict the granting of waivers to doctors who are (1) specialists in scarce specialties, (2) needed for high-level management positions in DM&S, or (3) employed at facilities with unusual recruitment problems.

Currently, the retired and retainer pay of most retired military officers recruited to work for the VA is subject to reduction pursuant to the requirements of section 5532(b)–(c) of title 5, United States Code. Section 5532(b) requires the retired or retainer pay of a retired regular officer who holds a paid Government position to be reduced to an annual rate equal to the first $6,775.72 (if age 62 or older as of March 1, 1983) or $6,736.00 (if under age 62 as of March 1, 1983) of that pay plus one-half of the remainder, if any. Section 5532(c) requires that the total pay (i.e., retired or retainer pay plus basic pay) of a retired regular officer (reduced under Section 5332(b)) or a retired reserve officer shall not exceed the rate of basic pay for level V of the Executive Schedule (currently $66,000). These mandatory reductions attaching to Federal employment make employment in the private sector, where no reduction in re-

tired or retainer pay occurs, much more attractive and impair VA's ability to recruit necessary physicians in selected specialties or geographic locations.

During the 5-year period prior to its expiration on January 11, 1984, the authority in section 5532(e) of the same title permitted the Office of Personnel Management [OPM] to grant exceptions to the retired or retainer pay reductions "when necessary to meet special or emergency employment needs which result from a severe shortage of well qualified candidates in positions of medical officers which otherwise cannot be readily met." 5 U.S.C. § 5532(e). In July 1980, OPM delegated this authority to the VA with respect to Department of Medicine and Surgery medical officers.

Between July 1980 and January 1984, the VA exercised its authority prudently and approved exceptions for only 26 appointments. This number is low because exceptions were only approved when the retired military physician was in a scarce medical specialty, was being considered for a senior management position, or when there was a severe recruitment/retention problem in filling a particular position.

By reinstating the authority to waive the retired or retainer pay reductions in specific cases, this bill would restore the VA's ability to compete with non-Federal employers for these experienced physicians. As in the past, the VA would continue to exercise its authority prudently. We, therefore, strongly recommend that the bill's language be amended to include explicitly that waivers would be authorized only for doctors who are (1) specialists in scarce specialties, (2) needed for high-level management positions in DM&S, or (3) employed at facilities with unusual recruitment problems.

Enactment of this proposed legislation would not result in additional cost to the Veterans' Administration.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

HARRY N. WALTERS,
Administator.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 4107 OF TITLE 38, UNITED STATES CODE

§ 4107. Grades and pay scales

(a) * * *

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(i) The Administrator may authorize an exception to the restrictions in subsections (a), (b), and (c) of section 5532 of title 5 if necessary to recruit a well qualified doctor of medicine or osteopathy for a position in the Department of Medicine and Surgery which otherwise cannot readily by filled.

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